

Title 5. EDUCATION  
Division 1. State Department of Education  
Chapter 14. School Finance  
Subchapter 2. Budgeting, Accounting and Reporting

*Add Article 2 (commencing with Section 15060) to read:*

**Article 2. Standardized Account Code Structure**

**§ 15060. Standardized Account Code Structure**

(a) The California School Accounting Manual adopted by the State Board of Education pursuant to Education Code section 41010 shall incorporate a standardized account code structure which is a statewide, uniform financial reporting format (based on the definitions and comprehensive chart of accounts set forth in the California School Accounting Manual). The structure shall be designed to provide a flexible statewide accounting system for local educational agencies to use in budgeting and reporting their revenues and expenditures. The structure shall accommodate local, state, and federal reporting needs as determined by the State Board.

(b) The standardized account code structure shall include, but not be limited to, the following fields:

(1) Fund/Account Group. Each fund is a fiscal and accounting entity, with a self-balancing set of accounts recording cash and other resources, all related liabilities and residual equities and balances or changes therein. Fund types include, but are not limited to, Governmental Funds, Proprietary Funds, Fiduciary Funds, and Account Groups.

(2) Project Year. The project year field is used to distinguish the activities of the same grant with different project years within the fiscal year.

(3) Resource (Project/Reporting). The resource field identifies the source of funding and is used for accumulating revenues and expenditures to meet various specialized reporting requirements and tracking categorical activities, such as No Child Left Behind (NCLB) Act, Economic Impact Aid, and School Improvement Program.

(4) Goal (Program). The goal field defines the objective, such as the target population being served or the education mode (e.g., regular education, special education, or vocational education).

(5) Function. The function field describes the activity being performed for which a service or material object is acquired, for example, instructional services, pupil services, and general administration.

(6) Object. The object field describes the service or commodity obtained as a result of a specific expenditure (e.g., salaries, books, and capital outlay).

(7) Site. The site field is optional, providing local educational agencies the ability to designate specific school sites within their individual accounting systems.

1 NOTE: Authority cited: Section 33031, Education Code. Reference: Section 41010, Education Code.

2  
3 Add Article 3 (commencing with Section 15070) to read:

4 **Article 3. Annual Financial Statements**

5 **§15070. Submission of Annual Financial Statements.**

6 Except as provided in Section 15071, every county office of education, school district, charter  
7 school, and educational joint powers agency (as defined in Education Code section 41023) shall submit an  
8 annual statement of receipts and expenditures in the format of the standardized account code structure,  
9 subject to the provisions of Section 39 of Chapter 299, Statutes of 1997. The form for the annual  
10 statement shall be prescribed and amended periodically (to accomodate changes in statute or generally  
11 accepted accounting principles for government agencies) pursuant to Education Code sections 1628 and  
12 42100 and shall reflect Section 15060.

13 NOTE: Authority cited: Section 33031, Education Code. Reference: Sections 1628, 41010, 41023, and  
14 42100, Education Code.

15 **§15071. Alternative Form for Submission of Annual Financial Statements by Charter Schools.**

16 (a) Charter schools have the option of reporting their annual financial statements using an  
17 alternative form prescribed and amended periodically (to accommodate changes in statute or generally  
18 accepted accounting principles for government agencies) pursuant to Education Code section 42100. The  
19 alternative form shall be structured for electronic submission of data and shall include the following  
20 information:

21 (1) Revenues. An accounting of all funds received during the preceding fiscal year, including  
22 identification of specific details within the major revenue categories of revenue limit sources, federal  
23 sources, other state sources, and other local sources.

24 (2) Expenditures. An accounting of all funds expended during the preceding fiscal year, including  
25 identification of specific details within the major expenditure categories of certificated salaries, classified  
26 salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, and  
27 other outgo.

28 (3) Other information. An accounting of additional information including beginning and ending  
29 fund balances, other sources and uses, assets, liabilities, and reserves.

30 (b)(1) The reporting of financial data by charter schools that are established as governmental  
31 accounting entities shall reflect the definitions, and to the extent necessary for accurate financial  
32 reporting, the guidance provided in the California School Accounting Manual.

33 (b)(2) The reporting of financial data by charter schools that are established as nongovernmental  
34 accounting entities shall reflect the definitions, and to the extent necessary for accurate financial

1 reporting, the guidance provided in the California School Accounting Manual, except for accounting  
2 differences required due to their nonprofit status.  
3 NOTE: Authority cited: Section 33031, Education Code. Reference: Sections 1628, 41010, and 42100,  
4 Education Code.  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34 6/19/03